

Without trust on all sides, making cuts is almost impossible

Jon Ainger Opinion



The Health Select Committee makes some extremely sensible points about saving money in the NHS. Its report warns that there has been “too much emphasis so far on short-term cuts and ‘salami-slicing’, instead of rethinking the way care is delivered”.

This is an all-too-familiar challenge for local government. The committee referred to 4 per cent cuts in the NHS;

local government’s funding reduction is 28 per cent over three years, and we are already in the second year. Councils are having to rethink services in the way that MPs are demanding of the health service.

This process is exposing a hidden problem at the heart of local government: an absence of trust between councils and citizens. The furore over alternate weekly bin collections is a good example. Politicians are extremely nervous of appearing to cut a universal service, while householders are suspicious of their intentions. And yet the scheme saves money, reduces waste and increases recycling.

Trust is vital to making this sort of change. But it would appear that trust has eroded, as local government has

failed to observe the changing values of the population. Meanwhile, councils have been busy generating efficiencies by standardising and automating contact with the public and in many cases reducing contact. As a result, relationships have broken down. For a while, perhaps, increased spending was masking the problem, but austerity has exposed it.

Without trust, councils will be unable to make the changes they need to make. Yet our research into seven key local authority service areas has identified a £3 billion opportunity for English local authorities in reducing demand for services by changing people’s behaviour.

Extrapolating this to all local government services, where demand management may be applied, results

in a potential £5 billion saving in England, £500 million in Wales and £900 million in Scotland.

Close to three quarters of executives believe that managing demand for services and changing the way in which people behave offers significant

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potential to offset declining budgets. Two thirds claim these present the greatest opportunity to reduce costs.

Yet only 22 per cent of senior executives describe community trust in their authority as high. This mirrors an Ipsos MORI survey last June, which

found that, in a list of 21 roles, managers in local government sat fourth from bottom in terms of trust — below bankers and just above journalists, government ministers and politicians generally. It is a weak position from which to manage down demand for services.

Fundamentally altering the cost base of local authorities requires a new, mature and trusting relationship with the citizen — and this needs more than merely a “nudge” in a few service areas. It demands a root-and-branch change to the way in which local authorities engage with individuals and communities, to ensure their energy is used to positive effect — and is not wasted fighting the system.

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